

Markets

SFE 200 Futures (9.30am AEST)	6906	46	0.7
NZX 50	11522	29	0.3
DJIA Futures	32709	-116	-0.4
S&P 500 Futures	4120	-14	-0.3
NASDAQ Futures	12934	-37	-0.3

Local Markets Commentary

The Australian market commences a new month's trade on a Monday, ahead of the Reserve Bank of Australia's policy meeting tomorrow, with some weaker-than-anticipated data in hand from China and Australia, a batch of material further domestic and regional economic reports due through today and key indicators scheduled for release in the UK, euro zone and US tonight.

Overnight Friday, international equities and most key commodities trade proved positive.

Locally today, the Melbourne Institute is expected to release its July inflation gauge report at 11am AEST.

At 11.30am, the ANZ is scheduled to publish July job advertisements.

Also this morning, Core Logic is due to release its July residential property price index.

Pre-trade, the AiG has reported a 52.5 manufacturing PMI for July, this from 54.0 for June and following forecasts for a new reading of 53.0.

Post-ASX trade, the RBA reports July commodity prices.

Regionally today, Caixin is due to release its July manufacturing PMI for China at 11.45am AEST.

South Korea reports July trade figures as the ASX opens.

Manufacturing PMIs are also due for both South Korea and Japan at 10.30am AEST.

Yesterday, China reported official (NBS) July PMIs, the manufacturing PMI falling to a contractionary 49.0 from an expansionary 50.2 and defying expectations for an improvement to 50.9.

The services PMI indicated continued expansion, but declined to 53.8 from 54.7, when economists had anticipated a climb to 55.6.

In overnight Friday commodities trade, Brent crude continued higher and WTI turned so.

US gold futures recorded a further gain, trading beyond \$US1760/oz.

Iron ore (Nymex CFR China, 62% Fe) was pushed more than 8% higher, settling above \$US115.85/bbl.

Overnight LME (3mth evening) copper and aluminium continued to rally. Nickel was propelled more than 7.5% higher.

The \$A fell below US69.90c after trading at ~US70.10c early Friday evening.

Normal ASX trade today – NSW bank holiday; NT picnic day

Today's Stock Watch

Mesoblast Ltd (MSB)

FY22 revenue tallied \$US10.2M, including \$US2.2M from the June quarter. \$US60.4M cash on hand at 30 June.

Creso Pharma (CPH) / Health House International (HHI)

CPH is proposing to acquire HHI via a one-for-two scheme of arrangement, and has signed a non-binding terms sheet, pending conditions including satisfactory due diligence. The HHI board reportedly regards the deal as conditionally favourable.

CPH traded at 4.9c – 5.4c Monday and Tuesday last week before entering suspended trade. HHI trade has been suspended subsequent to calling a trading halt early 20 June. HHI last traded at 1.2c.

Infratil Ltd (IFT)

Investing a further \$US100M in Longroad Energy to maintain an ~37% stake.

This is in association with Munich Re entities outlaying \$US300M for a 12% Longroad holding.

United Malt Group (UMG)

Revised FY22 (to 30 September) guidance lodged pre-trade.

Deterra Royalties (DRR)

June quarter royalty receipts rose 91% against the March quarter, to \$113.1M. FY22 royalties tallied \$265.2M.

Resources

TNG Ltd (TNG)

South Korea's export credit agency Korea Trade Insurance Corporation (K-SURE) has provided a conditional letter of support for up to \$A200M in debt funding for TNG's Northern Territory Mount Peake vanadium-titanium-iron project.

IGO Ltd (IGO)

Strategy day and separate site visit presentations lodged post-trade Friday. IGO hosted visits to the Kwinana lithium refinery and Greenbushes lithium operation Saturday and Sunday respectively.

IGO settled at \$11.04 Friday, after releasing the company's June quarter update midweek. IGO had closed out the previous week at \$9.90.

Galan Lithium (GLN) / Lithium Australia (LIT)

Heralding new outcropping pegmatite determined by geological mapping within the WA Greenbushes South lithium JV project.

The outcropping is estimated to have a minimum 500m strike length and remains open along strike. GLN 80%; LIT 20%.

**Overseas Markets**

INDEX	CLOSE	+/-	%
Dow Jones	32845	316	1.0
S&P 500	4130	58	1.4
NASDAQ	12391	228	1.9
FTSE 100	7423	78	1.1
DAX 30	13484	202	1.5
Shanghai Comp	3253	-29	-0.9

Overseas Markets Commentary

Major European, UK and US equities markets mostly opened higher overnight Friday, improving on early gains intra-session during summer holiday-trimmed end-of-month trade.

Post-Thursday US trade, Amazon had delivered better than anticipated sales and Apple a more positive-than-expected sales outlook, this seeming to buoy tech stock sentiment in general.

Record profits reported by two oil majors overnight Friday, together with promises of better returns for shareholders, boosted energy sector trade also.

Earlier Friday, China had reported a better-than-anticipated increase in year-on-year January - June foreign direct investment.

Among a swag of mixed overnight Friday **data** releases **Germany's** initial June quarter **GDP** reading represented stagnation, against predictions for a 0.2% contraction and following 0.8% March quarter GDP growth.

At an annualised rate, GDP growth came in at 1.4%.

Meanwhile, June import prices were reported 1% higher for the month, following a 0.9% May increase and forecasts for a new 1.2% rise.

Against June 2021, prices were up 29.9%.

Germany's unemployment rate was calculated to have risen 0.1% during July, to 5.4% following forecasts for status quo.

The **euro zone** reported a 0.7% initial June quarter **GDP** growth estimate, following 0.5% March quarter appreciation and predictions for a flat new result.

GDP was up 4.0% on an annualised basis.

A euro zone preliminary June **CPI** estimate represented 0.1% inflation for the month and a 4.0% annualised inflation rate. Economists had anticipated 0.2% June inflation growth.

In the **UK**, the Bank of England estimated consumer credit had grown by £1.781B during June, far exceeding expectations. Forecasters had anticipated a £900M increase.

In the **US**, June personal income and spending rose by 0.6% and 1.1% respectively for the month, following 0.6% and 0.3% May increases.

Economists had expected respective 0.5% and 0.6% higher estimates for June.

The personal consumption expenditure (PCE) index for June came in at a 1.0% increase for the month and 6.8% annualised rise, against forecasts for 0.9% and 6.7% growth.

The Chicago Fed July PMI in the meantime fell to 52.1 from 56.0 against predictions for a slighter decline to 55.0.

Pre-Open Announcements**Proteomics International (PIQ)**

An early version of PIQ's proposed blood test to detect endometriosis has correctly identified up to 78 of 100 people with the disease.

Fertility Society conference presentation, highlighting the results, lodged pre-trade.

Quickstep Holdings (QHL)

Anticipating 1.9% higher, \$86.7M FY22 revenue and a \$1.3M underlying pre-tax loss.

Results have been impacted by absenteeism related to illness and isolation requirements and supply chain challenges, including when trying to locate spare parts and labour sufficient to ensure equipment reliability.

Reallocating resources to optimum growth parts of QHL business.

QHL settled 8.7% lower for the session, Friday, at 42c, after issuing the update and restructuring plans in the last hour of trade.

Kelly Partners Group Holdings (KPG)

20.3% higher, \$5.565M full year NPAT.

32.6% higher, \$64.86M revenue.

Objective Corp (OCL)

The New Zealand High Court has agreed with an OCL and New Zealand Commerce Commission recommendation that OCL pay a \$NZ1.54M penalty for breaching section 47 of the NZ Commerce Act. This will settle all action.

Weebit Nano (WBT)

June quarter investor presentation lodged pre-trade.

WBT lodged its June quarter report pre-trade Friday.

Fatfish Group (FFG)

June quarter cash receipts grew 96% to \$A780,000.

Supply Network (SNL)

Paying a 20c fully franked final dividend, from 12c fully franked a year ago.

Anticipating \$198.4M FY22 sales revenue.

Expecting ~\$20M profit after income tax.

Wellfully Ltd (WFL)

FY22 cash receipts tallied a record \$1.579M, up 150% on FY21.

June quarter cash receipts contributed \$274,000.

AVA Risk Group (AVA)

Anticipating \$29.8M - \$30.2M FY22 revenue, against previous guidance of \$31.3M - \$33.3M, due to timing delays.

June quarter confirmed orders improved, pushing FY22 confirmed sales orders to \$18.0M, up 13% on FY21.

\$15.2M net cash at 30 June. Nil debt.

Dough Ltd (DOU)

Non-executive director Leanne Graham has resigned from the



The 51.5 final reading of July consumer sentiment, as calculated by the University of Michigan, represented a 1.5-point improvement on the record low 50 recorded for June, also exceeding economist forecasts for 51.1.

Tonight in the US, June construction spending and the ISM's July manufacturing PMI are due.

Elsewhere, the Central Bank of Russia is due to deliver a policy report after cutting the key interest rate by 1.5% to 8.0% in July.

Companies scheduled to report earnings include: Activision Blizzard, Devon Energy, HSBC Holdings, Mitsubishi UFJ Financial, Tata Motors, TDK and Zoom Info.

In overnight Friday and weekend corporate news, **Exxon** and **Chevron** reported results in line with higher fuel prices and announced bigger buy-backs.

AstraZeneca lifted the group's full year revenue guidance due to expected demand for the Covid anti-body therapy Evusheld, touted as offering protection for up to six months.

Commodities				
COMMODITY	CLOSE	\$/US/	+/-	%
Gold (NY) (Aug)	1762.9	oz	12.6	0.7
Silver (NY) (Sep)	20.20	oz	0.33	1.2
Gold (LON)	1753	oz	-0.1	-0.0
Platinum	896	oz	9	1.0
WTI Crude (NYMEX Sep)	98.62	bbf	2.20	2.3
Brent Crude (ICE EUR Sep)	110.01	bbf	2.87	2.7
Iron Ore (NYMEX CHN port;62%Fe)	115.88	t	8.99	8.4
Copper (LME 3mth Evening)	7922	t	156	2.0
Nickel	23619	t	1687	7.7
Aluminium	2506	t	38	1.5
Lead	2039	t	38	1.9
Zinc	3321	t	149	4.7
Tin	25087	t	719	3.0

Commodities Commentary

Oil – some weaker-than-anticipated data other than the US PCE index, further bolstered views that central banks would not keep up the current pact of interest rate increases, in turn supporting oil demand prospects and hence pushing prices higher overnight Friday.

Further, OPEC+ is scheduled to meet this week to discuss output, but a status quo decision is anticipated for the next couple of months' production allowances.

In addition, total OPEC+ output for June was reported at 2.84MMbbl below agreed allowable production.

A weekly US petroleum drill rig report, published overnight Friday, included six additional operational oil rigs, this paring back prices. Against the same week in 2021, number of oil rigs in operation was up 220.

The Brent September contract expired on Friday's close, the October delivery contract settling 2.1% higher for the session, at \$US103.97/bbl.

Brent crude closed out July 4.2% lower for the month and WTI down 6.75%.

Gold – overnight Friday gold interest defied positive equities sentiment, market watchers attributing this largely to a weaker

DOU board.

Resources

Evolution Mining (EVN)

An updated Ernest Henry mineral resource includes a 28% increase in copper, to 1.13Mt and a 24% increase in gold, to 2.07Moz.

Details and Diggers & Dealers forum presentation lodged this morning.

Bellevue Gold (BGL)

Diggers & Dealers site visit presentation lodged post-trade Friday. BGL settled at 85c Friday after lodging a June quarter update and announcing underground development progress during the week. BGL had closed out the previous week at 72.5c.

Ora Banda Mining (OBM)

Davyhurst gold project resource estimated (30 June) at 25.2Mt @ 2.5g/t Au for 2.02Moz.

Proved and probable reserves tallied 4.58Mt @ 1.9g/t Au for 276,000oz.

Pantoro Ltd (PNR) / Tulla Resources (TUL)

WA Norseman gold JV project Green Lantern deposit resource estimated at 10Mt @ 1.2g/t Au, for 395,000oz.

76% of the resource qualifies for indicated status.

Reserves have been updated to 4.3Mt @ 1.3g/t Au, for 185,000oz (0.89g/t Au cut-off).

PNR and TUL each 50%.

Midas Minerals (MM1)

Option agreement secured to potentially acquire up to 51% within two years of two exploration licences located 80km south-east of the MM1 Newington lithium-gold project.

Details and rationale lodged pre-trade.

Energy

New Hope Corporation (NHC)

NHC has appointed Fulton Hogan director and SeaSwift and KC8 Capture chair Steven Boulton as an independent non-executive director, effective Friday (29 July).

Trading Halts

Company	Code	Resuming
American West Metals	AW1	1 Aug
Antilles Gold	AAU	1 Aug
Castile Resources	CST	1 Aug
Cobre Ltd	CBE	1 Aug
Fintech Chain	FTC	1 Aug
Medallion Metals	MM8	1 Aug
QMiner Ltd	QML	1 Aug
Spenda Ltd	SPX	1 Aug
Titanium Sands	TSL	1 Aug
Vital Metals	VML	1 Aug



\$US and commentary suggesting the US Federal Reserve will project a slower interest rate climb trajectory come the next policy meeting scheduled for September.

A Reserve Bank of Australia policy meeting tomorrow and one for the Bank of England overnight Thursday, together with commentary ahead of Friday's US monthly national jobs statistics, are expected to keep trade sentiment fluid this week.

Base metals – a weaker \$US, and ongoing slowing supply commentary supported overnight Friday trade.

Joining the large traders and producers offering guidance over the past week, Glencore revealed it had trimmed its expectations for full year *copper* output to 1.060Mt from 1.11Mt.

January – June Glencore own sourced copper production fell 15% year-on-year to 510,200t.

Zinc production likewise dropped 17% to 480,700t.

First-half *nickel* output, however, grew 21% year-on-year to 58,700t.

For its part, Chile's Codelco reported a 9.3% year-on-year drop in June quarter copper production to 371,000t.

Chile's copper commission Cochilco also forecast 3.4% lower 2022 national output due to a mix of factors, including ore grades and water supply cuts.

Late-Thursday, after a quarterly Politburo meeting, China's policy makers did not announce more stimulus as predicted by some. Rather, the policy heads vowed to keep economic growth 'within a reasonable range', raising concerns this year's 5.5% growth target will not be met and that China's administrators are currently accepting of this.

Earlier Friday, China reported January – June foreign direct investment (FDI), this increasing 17.4% year-on-year against expectations for a 15.0% rise.

China's official July PMIs (a deterioration for both the manufacturing and services sectors), reported yesterday, will influence at least some of tonight's trade, together with Caixin's manufacturing PMI for China, scheduled for release today.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6974	-0.0013	-0.19
EUR – USD	1.0210	-0.0016	-0.16

Australian Data Today

AiG	Manufacturing PMI	Jul
Melb Institute	Inflation gauge	Jul
ANZ	Job advertisements	Jul
CoreLogic	Home value index	Jul
RBA	Commodity prices	Jul

US Data Tonight

Construction spending	Jun
ISM manufacturing index	Jul
S&P Global manufacturing index (final)	Jul

Alice Queen	AQX	2 Aug
Caravel Minerals	CVV	2 Aug
Carbonxt Group	CG1	2 Aug
Cauldron Energy	CXU	2 Aug
Celsius Resources	CLA	2 Aug
Design Milk Co	DMC	2 Aug
Dreadnought Resources	DRE	2 Aug
Felix Gold	FXG	2 Aug
LiveTiles Ltd	LVT	2 Aug
Pacific Edge	PEB	2 Aug
Raiden Resources	RDN	2 Aug
Technology Metals Australia	TMT	2 Aug
Venture Minerals	VMS	2 Aug
Theta Gold Mines	TGM	3 Aug

Suspensions (selected)

Company	Code	Since
Creso Pharma	CPH	29 Jul
Globe Metals & Mining	GBE	27 Jul
Lindian Resources	LIN	27 Jul
Memphasys Ltd	MEM	29 Jul
Montem Resources	MR1	25 Jul
Ovato Ltd	OVT	21 Jul
Rimfire Pacific Mining	RIM	28 Jul
Wiluna Mining Corporation	WMC	21 Jul

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
NBI	Today	0.71	0	6.67
AMH	Wed	2.5	100	3.10
JHG	Fri	39	0	5.88
DJW	8 Aug	7	100	4.27
FRI	8 Aug	2	100	5.48

Reports & Events

(selected; all times AEST)

When	Company	Report/Event
Today	DRR	Jun Q
	IOU	Jun Q
	KPG	Full year (tele 10.30am)
Tomorrow	CAT	AGM
	COF	Full year (w/cast 10.30am)
	CCP	Full year
Wed	BWP	Full year
	GMA	Interim (tele 10am)
	PNI	Full year

**Other Overseas Data Today & Tonight**

China	Caixin manufacturing PMI	Jul
South Korea	Trade balance; imports; exports	Jul
South Korea	Manufacturing PMI	Jul
Japan	Manufacturing PMI	Jul
UK	Manufacturing PMI (final)	Jul
Germany	Retail sales	Jun
Germany	Manufacturing PMI (final)	Jul
Euro zone	Unemployment	Jun
Euro zone	Manufacturing PMI (final)	Jul

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	UMG	Investor day
Thu	CIP	Full year
	RMD	Full year
Fri	GDF	Full year

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